Delay in disinvestment of ITDC

1188. SHRI MOOLCHAND MEENA.
DR. T. SUBBARAMI REDDY:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the disinvestment process of India Tourism Development Corporation has again been delayed;

(b) if so, the main reasons for the same,

(c) whether the State Governments which are equal partners alongwith ITDC are also keen for the disinvestment;

(d) whether the State Governments are reluctant to lease out hotel lands: and

(e) if so, by when a final decision regarding disinvestment process of ITDC is likely to be taken?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir.

(b) Does not arise in view of answer to (a) above.

(c) and (d) In the case of the joint venture properties of ITDC, the respective State Governments had given land to the joint venture companies either on concessional lease rent or on nominal consideration. The Shareholders Agreements between ITDC and the joint venture partners prohibit change in the shareholding pattern without the written consent of both the parties. The concerned State Governments have been requested to convey their consent for dispensing with the restrictive clauses in the Sahreholders Agreements and for sharing the Unearned Increase in the value of the land. Response from the State Governments is awaited.

(e) Disinvestment of the hotel properties of ITDC is an ongoing process. It is not possible to indicate the time by which disinvestment of all the ITDC hotel properties would be completed.

Privatisation plan for Air India and Indian Airlines

1189. SHRI PREM CHAND GUPTA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that the privatisation plans for Air India and Indian Airlines have been shelved by Government; and

(b) if so, the reasons for this and the impact it has on the overall Government's disinvestment plans?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir.

(b) Does not arise in view of reply to (a) above.

Performance of Privatised PSUs

1190. MISS MABEL REBELLO: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the privatised Public Sector Units have improved their performance after disinvestment;

(b) if so, the current performance of the privatised public sector enterprises in terms of their annual turnover, profit and protected employment; and

(c) if not, the reasons therefor?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) The performance of the privatised public sector undertakings pre-disinvestment and post-disinvestment is given below. As can be noted, performance has improved in almost all cases. BALCO's production and turnover suffered owing to a strike by the employees. No employee has been retrenched. In most cases, the condition of employees has improved.

Modern Food Industries (India) Ltd. (MFIL)

74% Government equity in MFIL was disinvested in favour of Hindustant Lever Limited on 31-1-2000. The performance of MFIL is as under:—

(Rs. in crore)

Year	Turnover	Net Profit/Loss
1998-99	172.75	(-) 6.87
1999-2000	160.53	(-) 48.23*
1-4-2000 to 31-12-2000#	122.66	(-) 16.05
1-1-2001 to 31-12-2001	231.93	(-) 12.27

* Out of the loss of Rs. 48.23 crore, an amount of Rs. 35.19 crore is towards provisions made for previous years.

HLL has changed its accounting year to calender year basis after takeover in accordance with its accounting policy.